

April 16, 2020

Labor, Social Security and Immigration Practice Group Newsletter



IMSS reminds taxpayers of its contribution deferment program, although this is not a new benefit related to Covid-19.

Recently, the Mexican Social Security Institute ("IMSS") issued a press release in which it once again announced various legal instruments for the correct payment of social security contributions and certain other procedures that employees can carry out before said Institute.

This reminder, without being a new benefit to the employer, is the execution of agreements to extend the payment of employer's contributions, for which the employers qualify as long as they comply with the following:

- i. Having no outstanding tax credits in the last two years prior to the date of application;
- ii. That no differences in the payment of fees have been determined and of which you have been notified within the two previous periods, or that these have been clarified or, if applicable, paid;
- iii. To cover at least twenty percent of the issue of the respective period requested;
- iv. That the period requested for payment does not exceed twelve months, starting from the last period to which the respective application refers. The percentage in excess of that indicated

in the previous section shall be paid at the end of the period indicated in the application;

- v. Demonstrate to the satisfaction of the Institute the exceptional economic reasons why it cannot meet its obligations.

Although the partial payments that are agreed to will not be modified during the duration of the agreement, the payments continue to be late, so they continue to generate updates and surcharges. Also, at the time of the agreement, an interest rate will be established per term of months which is from 1.26% to 1.82%, depending on the term selected (12, 24 or 48 months).

For the granting of these agreements, it is not necessary to grant a guarantee, as it was already stated in the agreement ACDO.AS2.HCT.300419/150.P.DIR issued by the Technical Council. Similarly, under the terms of agreement 187/2003, at the end of the payment of the amounts due, the Institute will waive up to 90% of the fines it may have imposed.

In the event of failure to comply with two or more installments, the extension will be revoked and the total credit due will be requested.

What we can say that is new is that on March 25, 2020, the IMSS announced the granting, processing and payment of work permits through the Internet.

As of March 31, 2020 and until further notice, the days are considered non-working days for purposes of IMSS proceedings, proceedings, hearings, notifications and requirements, as indicated in the agreement ACDO. AS2.HCT.300419/150.P.DIR of March 31, 2020.

In the hope that this note will be useful to you, the members of the Labor, Social Security and Immigration Practice Group of the Sánchez-DeVanny offices remain at your entire disposal should you require further information regarding the subject matter discussed here. For this purpose, we invite you to contact us at the e-mails listed below.

This newsletter was prepared in collaboration with Alfredo Kupfer Domínguez (akupfer@sanchezdevanny.com); and David Eugenio Puente Tostado (dpt@sanchezdevanny.com) with the support of Eduardo Enrique González Ibarra (eduardo.gonzalez@sanchezdevanny.com).

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Labor, Social Security and Immigration Practice Group

This practice advises clients on compliance with labor and social security laws, and in the design and implementation of labor structures to avoid risk. We assist in processing immigration documentation for top-level executives and their families, with employment agreements, terminations, and fringe benefit planning, and represent clients in employment litigation.

Contact

Alfredo Kupfer Domínguez
akupfer@sanchezdevanny.com

David Puente Tostado
dpt@sanchezdevanny.com

Mexico City:

Av. Paseo de las Palmas #525 Piso 6
Col. Lomas de Chapultepec, 11000
Ciudad de México
T. +52 (55) 5029 8500

Monterrey:

José Clemente Orozco #335 Piso 4
Despacho 401 Col. Valle Oriente, 66269
San Pedro Garza García N.L.
T. +52 (81) 8153 3900

Querétaro:

Blvd. Bernardo Quintana #7001
Torre 1 Oficina 1109 Col. Centro Sur, 76090
Querétaro, Qro.
T. +52 (442) 296 6400



Sánchez Devanny Eseverri S.C.



@SanchezDevanny



/sanchezdevannymx

www.sanchezdevanny.com

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